



## YOUTH COMMUNITY CORRECTIONS BUREAU STANDARD OPERATING PROCEDURES

Procedure No.: YCC 200-8	Subject: <b>FISCAL YEAR END CLOSING PROCEDURES</b>
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Applicable ACA Standards:	Revision Date: 10-10-08
Signature: /s/ Karen Duncan	Effective Date: 11-23-07
Signature: /s/ Steve Gibson	

### I. BUREAU DIRECTIVE:

The Regional Administrative Officers (RAO's) are required by Government Accounting Practices and Principles Rule to complete fiscal year end procedures. These procedures include, but are not limited to, the balancing of income, balancing of expenses, and the accrual of unpaid commitments as of the last day of a fiscal year for allocated juvenile placement funds. The procedure will be reviewed annually and updated as needed.

### II. DEFINITIONS:

**Accrual** – setting aside an amount for expected outstanding payments that will be paid after the end of the fiscal year.

**CAPS** - Child and Adult Protective Services, the online statewide management system maintained by DPHHS. CAPS will be referenced as the vehicle through which payments will be made for out-of-home placements and/or for services provided to the youth.

**Client-Based Payment List (CBPL)** – a CAPS screen that lists the status of payment and services to a specific provider, starting with the most recent

**DPHHS** – Department of Public Health and Human Services for the State of Montana.

**Expenditures** – monies paid out of the juvenile placement dollars, either through CAPS entries or through payments made directly from the fiscal office.

**ExpRecon-2** – Expense Reconciliation form.

**Fiscal Database** – Access database used to journal all youth placements, services, income, expenses, etc.

**IncRecon-1** – Income Reconciliation form.

**Payment Approval List (PAYA)** – a CAPS screen listing all payments awaiting approval by the worker.

**Resources** – monies received on behalf of the child (Social Security and/or Cost-of-Care Contributions) for use in offsetting the cost of placement.

**Services Detail: Payable (SERP)** – a CAPS screen showing services detail.

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**Trust Account** – an account that is developed for each youth with resources (SSI, SSB, or Cost-of-Care Contributions). This account is a transitional account where income, expenditures, interest and balances are reported.

### III. PROCEDURES:

- A. The RAO is responsible to, at least quarterly but preferably monthly, balance the Income and Expenses of the districts assigned to them [refer to [YCC 200-2, Budget Status Reports, IV\(C\)](#)]. This process is not only required, but necessary for the accurate accounting of funds assigned to each district. Further, reconciling expenses leads to the discovery of overpayments. Also, reconciliation of income ensures that the appropriate levels of income are being reported for each individual youth, the income is being received or expended properly for the cost of care, and that any repayments to the income source are occurring.
- B. Prior to the balancing of income and expenses, ensure the accuracy of end dates on the youth form in the database, using the actual last date of placement, when known. Note: The database is designed to mirror CAPS and will not pay for the last day of placement. Also ensure the service code is accurate for the placement and that the correct funding code was used.
- C. Income Reconciliation
  1. Open the fiscal database and run the PC Totals by Youth and the Social Security Totals by Youth. This information is entered into the IncRecon-1 Form, Income Reconciliation for each district. (The IncRecon-1 is an automated Excel form.) The PC Payments by Parent Report in the fiscal database is also helpful.
  2. After the IncRecon-1 is populated, open the CAPS TAHL screen and set search criteria to the first of the fiscal year to the present month. Inquire on each month of your search criteria, i.e. 7/1/2007 to 6/30/2008, to determine the total interest paid; and list in the interest column of the IncRecon-1.
  3. Determine the total from the income column on the TAHL screen and enter this amount into the TAHL total column on the IncRecon-1 form.
  4. If the database total does not agree with TAHL, research and correct appropriately.
  5. Transfer differences to the appropriate reconciliation section of the form with comments detailing reason for difference, such as timing of Social Security income on TAHL vs. the DB.

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6. If you are unable to determine difference, note on form.

D. Expense Reconciliation

1. Run the Total Expenses to Date report from the Fiscal Database.
2. Run the S7851 Data Dump Expense Report found on the “R” drive.
3. Compare the two reports ensuring they balance. If there is a difference between the two reports, determine if the difference is a missed placement and/or service entry into the database, the placement and/or service has not yet paid through CAPS, or if an overpayment has occurred. Correct or note the problem appropriately.

E. Fiscal Year End Reconciliation

1. Contact all assigned workers and ensure all CAPS entries are entered accurately and approved on the PAYA screen.
2. On CAPS, research CBPL for payments in “U” – unapproved status, or payments in “M” – mailed status, either by youth or by provider.
  - a. “Unapproved” payments need the appropriate worker’s approval, and
  - b. “Mailed” payments are invoices that were mailed to providers that have not been returned and entered for payment or placement payments not yet approved by CPIS providers. Contact the worker or the provider for appropriate action, such as generating a duplicate invoice, when needed, or asking that excess invoices be zeroed out.
3. Follow the steps listed in Section B above for expense reconciliation.
4. After the Total Expense Report and the CAPS generated expense reports are compared, any items that do not match should be placed on the ExpRecon-2 report. The ExpRecon-2 will require the Name, CAPS ID, Amount, Provider, Dates of Service/Placement, reason for the Discrepancy, any action taken, and the date the action was completed. It is important that if more than two services/placements do not agree that they are listed separately.
5. The total of the ExpRecon-2 will then serve as the accrual value for each district.
6. The ExpRecon-2 (Expense Reconciliation) should be reviewed weekly after the accrual is set to ensure the open items have been processed.

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7. Any placements and/or services that arrive after the fiscal year end cut-off date cannot be paid through CAPS. However, the assigned worker should enter the placement or service in CAPS but it must be denied by the RAO. The RAO should notify the Financial and Program Services Supervisor who will provide a copy of the SERP screen to Office of Court Administrator (OCA) for payment from the appropriate fiscal year funds.

- F. It may be necessary to run Budget Status reports several times at Fiscal Year End. Please ensure that the final Budget Status Reports are noted as such on the "R" drive.

#### **IV. CLOSING:**

Questions concerning this procedure shall be addressed to the Financial and Program Services Supervisor.

#### **V. REFERENCES:**

*Government Accounting Practices and Principles*  
*MOM*

#### **VI. ATTACHMENTS:**

[YCC 200-8 \(A\) Income Reconciliation Worksheet](#)  
[YCC 200-8 \(B\) Expense Reconciliation Worksheet](#)